



Secretary Jennifer J. Johnson,
Board of Governors of the Federal Reserve System,
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Fax: (202) 452-3819 or (202) 452-3102

Reference: Proposed Regulation Z Amendments "Docket No. R-1305"

Dear Secretary Johnson,

My name is Dan McBride, one of two principals of Merritt Lending LLC. My spouse and I have owned and operated a mortgage brokerage business since July of 1999 in Merritt Island Florida.

We are in favor and support of consumer protection goals of the Federal Reserve Board's proposed amendments to Regulation Z, but respectfully oppose the proposal to restrict compensation for mortgage brokers.

As Mortgage Brokers we act as an intermediary between borrowers and lenders, and the value the broker adds in the real estate transaction by serving BOTH parties, but representing NEITHER.

We must compete with direct lenders, and how the distinctions between brokers and lenders have blurred in recent years as lenders themselves typically package and resell loans they originate.

Consumers purchasing a residential mortgage are largely unable to distinguish between brokers and lenders, which have similar names, use similar signage, and rely on similar advertising.

Any disclosures Should and must apply equally to ALL mortgage originators, not just brokers who deserve a right to equal opportunity in the marketplace.

Yield spread premiums are much more than just compensation, they are used to pay certain costs and facilitate the loan transaction.

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It is impossible to give a reasonably precise dollar estimate of fees a broker will charge in a transaction even before an application is submitted because the broker does not yet know the prospective borrower's financial status, transaction details, type of product sought, or amount of loan, all of which may vary as the transaction progresses.

We strongly request that you consider alternatives to the proposed regulation which would protect consumers in their dealings with all mortgage originators, and encourage competition on price and service

In conclusion, this proposal will likely force hundreds of thousands of mortgage brokerage businesses (small business owners) out of business but creating regulation that does little to help the consumer and does plenty to harm mortgage brokers (small business) that only ask equal regulation and opportunity in the marketplace.

Thank you for considering these comments and make your decisions with our thoughts in mind.

Respectfully,

A handwritten signature in black ink, appearing to read "Dan McBride".

Dan McBride